



OF THINGS TO COME

As a result of the disclosures made in the budget speech made by Finance Minister Abbott there is a growing belief in Ottawa that it is quite unlikely a general election will be held this year, though rumors about such a test have been circulating here for several months, particularly in view of the several tests in the provinces scheduled for 1948 and other developments in the federal arena. But this is only one of a number of important reactions which the national budget has brought into the spotlight because hints contained between the lines are bound to influence the state of employment, business, income and prices.

It is held here that between the lines of Mr. Abbott's declarations there was a definite hint that the international situation is most uncertain, far more doubtful than the average person seems to recognize during this so-called "cold war" of nerves, with this gathering crisis in international finance and trade causing the Canadian Government not only to recast reconstruction

plans on less ambitious lines but to move with caution, great caution. There may be further limitations of our sales abroad for U.S. currency and there may be other factors. It is uncertain even if everything possible will be done to increase Canada exports, including, as a spokesman for the Government put it, "positive measures".

Evidently, veteran observers emphasize, the present so-called "austerity program" of the Canadian Government will not be ended as quickly as the average Canadian would seem to think. It is, of course, temporary, but temporary may be a long time they stress. In other words, the exchange reserves which were disclosed as \$668,000,000 at the end of April this year are still dangerously low and these will have to increase considerably before relief from "austerity" can be anticipated on a wide scale though the abrupt decline of these cash reserves has apparently been stopped. Canada can neither be too hasty in relaxing the irritating controls that have had to be imposed, nor too optimistic in appraising her capacity to give any further assistance to world recovery it is pointed out here.

Then again, the Canadian economy appears to be affected by a boom. There is no doubt about judging from the disclosures in the annual budget and the hints by the Government that it plans to go easy in relaxing taxation. Prices and forces which tend to increase them are being affected by this domestic boom so that the fight against inflation is still very much in our midst with

the Government saying that there is an inevitable, persistent upward pressure on the price levels by the activities which have to do so much too quickly. At the same time there is a very strong suggestion here now that neither the Government nor Parliament has the political mandate or constitutional power to maintain indefinitely in peacetime a strait-jacket or controls over prices, production and distribution. The whole economy has been organized to operate on a price basis by private incentives and private initiative, not by centralized direction, this budget has emphasized in clear language.

In simple everyday language, it is now crystal clear that the Canadian Government has warned the masses that present boom conditions cannot be expected to last indefinitely in face of a \$670,000,000 surplus in 1947-48 following one of \$373,000,000 in 1946-47. That is why taxation relief has not been provided as generally anticipated across Canada. That is why pleas for tax cuts here and there have been met by cold receptions. That is why policies have been framed to fight inflationary forces and to redeem our national debt as quickly as possible under the circumstances.

It is no secret backstage in Ottawa that the budget has disappointed a great many people in all walks of life because it failed to reduce further the personal income tax, various business burdens, and others, especially with a huge surplus in the treasury. However, those who keep their eyes and ears open along Parliament Hill realize what the Government has in mind. They know that sooner or later there may be need of spending much more on national defence due to developing events on the international scene, described as having a "threatening appearance" right now. They know too the Government acknowledges it would not be prudent to rally on current economic conditions continuing good indefinitely. Therefore, the budget this year is not merely an accounting report by the Canadian Government but—reality a "white paper" of things to come, with hints dropped here and there about the uncertainties which lie ahead which only shortsighted people can afford to ignore but not those entrusted with leading the nation.

NOT LARGE ENOUGH

"We have a larger supply of beef this year than last," said an MP at the Prices Committee of the House of Commons here but the head of a well-known packing firm told him "it just isn't large enough, that's all". The MP later added: "You don't suppose we're paying 19 cents a pound for live steers because we want to? There is a shortage of supply in relation to the demand."

OPPOSED TO MEASURE

When a bill was introduced by a private member providing that one-third of any jury trying a woman in Canada should be women, Justice Minister Hsley opposed the measure although he said he is not opposed to opportunity for equality for jury service between men and women. He stated he feels there is something "illogical" in the rigidity of a regulation which would set the number of women members at one-third.

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At the same time he also questioned the wisdom of passing legislation that might interfere with provincial jury laws. The Bill was talked out and went to the bottom of the list.

MORE EFFICIENT PLANS.

The establishment of more efficient machinery to study estimates of expenditures for government departments has been urged in the House of Commons with the plea being that with hundreds of millions of dollars voted in a matter of minutes some reform was necessary. When opposition Leader Bracken said the practice of voting interim supply is bad and blamed it on the fact that the budget is not given early enough, Finance Minister Abbott explained that supply has nothing to do with the budget which simply outlines where the Government plans to get the money to cover its expenditures.

SAID IN THE CAPITAL

"Members will, I know, be gratified by this decision for the country has shown clearly its opinion that those who have suffered as the result of death or disability from war services, should be compensated adequately," said Veterans Affairs Minister Gregg, announcing the 25% pensions increase in Parliament.

"The public will endorse the government's action," remarked Gordon Graydon, MP approving actions which would boost pensions payments to Canadian Veterans.

"I am a Westerner and I can find no record that either Ontario or Quebec ever gave a dollar to Western Canada in any form that they didn't get a dollar back—with interest," declared Senator John T. Haig, in the capital.

"I make no apologies to this House for action that will prevent insurance companies funds from being lost by a government housing program," said Trade Minister Howe emphasizing that money in the hands

of insurance companies belonged to the Canadian people.

"They saved the Canadian dollar from destruction and the Canadian people from disaster at that Geneva Conference," commented Senator Ian Mackenzie on the work attached to that trade post, together with "brilliant luck" of Canada's civil servants.

WEEKLY WIND-UP

Sensational rumors about United States and Russia getting together in "talks" have brought extremely cautious reaction in Ottawa.

The only woman MP in the House of Commons, Mrs. Gladys Strum, has stated that the housing situation in Canada is enough to drive anyone crazy, going all out in favor of subsidized housing to help the masses.

With Germany still considered an enemy country German nationals cannot come to Canada, Hon. James MacKinnon made it clear here, though it is known that thousands of Germans want to come to this country.

When the law clerk of the House of Commons, Dr. Maurice Ollivier suggested that MP's should be allowed to speak only so long as they can stand on one foot in a humorous remark, an MP said, "some

civil servants I know could do other work better while standing on their heads."

The report that HRH Queen Wilhelmina of the Netherlands due to ill-health and advancing age, will abdicate her throne next September in favor of her daughter HRH Princess Juliana recalls that she made two visits to Ottawa during the war to visit here daughter here.

The whispers along Parliament Hill are that the drive for oleomargarine will be greatly intensified next session and already supporters are being sought for such a campaign.



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